

# jpm<sup>®</sup>

## Journal of Property Management

**IREM<sup>®</sup>**  
INSTITUTE OF REAL ESTATE MANAGEMENT

July/August 2021 Vol. 86, No. 4

*A deep dive  
into budget  
forecasting*

# Invaluable predictions

- › Managing distressed properties
- › Tokyo prepares to host the Olympics
- › A preview of the 2021 IREM Global Summit in Las Vegas





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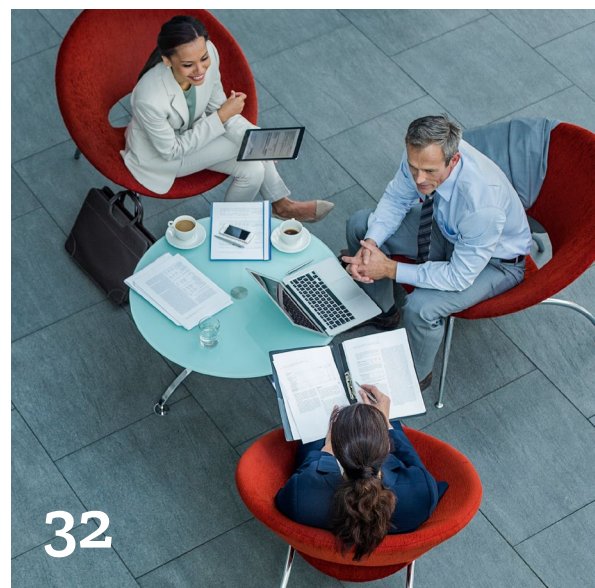
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# President's letter



Chip Watts, CPM, CCIM

Welcome to the July/August edition of JPM! In this issue, we're going to start off with a quick refresher of the fundamentals. As professional real estate managers, we are driven to meet the goals and objectives of the property owner. That's Real Estate Management 101, right? But how do we do it? Throughout this issue, we'll explore ways that property managers can meet and exceed owners' goals and expectations, as well as identify new opportunities to drive value.

The theme of this edition is financial management. In addition to managing the physical site, one of our primary responsibilities is to apply financial controls to manage funds and accounts. And whether math was our favorite subject in school, excelling in our profession means being good with numbers. In fact, we can observe an emerging trend of real estate managers increasingly taking on asset management functions, further expanding their toolkits.

With each beautiful summer day that passes, we move a little closer to everyone's favorite time of year: budget season! All kidding aside, the administrative operation and maintenance of properties are just a couple of the many ways we meet the goals and objectives of property owners. Successful real estate management involves diligently planning a property's future by developing and implementing operational and fiscal programs to enhance the asset's value. Join Sal Dragone, CPM, ARM, CCIM, as he takes us on a deep dive into the world of budget forecasting on **P12**.

Bringing to life the untapped potential of a struggling property can also be an exciting and rewarding opportunity to drive value. Last summer, IREM launched a new certificate program on how to manage distressed properties. In our feature on **P6**, instructor Regina Mullins, CPM, CCIM, explores the unique circumstances that go into managing these often-misunderstood assets.

Around the world, IREM members manage different types of assets in different geographies. Managing a residential building in a city center may require a different approach than managing a property in a more rural setting, yet the

fundamentals remain the same. In the feature on **P18**, IREM Federal Housing Administration Board Member Barbara Jaco, CPM, highlights these differences and similarities as she shares her passion for managing affordable rural housing in the U.S.

One of the advantages of holding IREM certification is the level of professionalism that the designations signify: There is no way to earn certification without first meeting strict requirements in the areas of education and experience and pledging to adhere to a code of professional ethics. This unwavering commitment to professionalism is supported by IREM's Membership & Credentialing Committee. The committee ensures we remain aligned with the times and places in which we're living and managing. In the Committee Central column on **P34**, you can read how IREM's Membership & Credentialing Committee continues to move our organization closer to the more "normal" end of our new normal.

Last year we switched gears and entered a whole new world of remote gatherings when the 2020 IREM Global Summit became the 2020 Virtual IREM Summit. This year, we're back in person as we head to the desert oasis of Las Vegas for the 2021 IREM Global Summit. Read all the exciting details for this year's Summit on **P24**. I look forward to seeing you there!

Until Vegas, I'll catch up with y'all in the next issue of JPM!

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*We can observe an emerging trend of real estate managers increasingly taking on asset management functions, further expanding their toolkits.*

W.A. "Chip" Watts IV, CPM, CCIM  
IREM President



# Hotels reimagined

An undersupply of housing and high hotel vacancy rates have made multifamily housing an obvious reuse of hotel and motel space. According to a recent National Association of Realtors (NAR) report reflecting projects that its members were involved

with, of the **187 hotel or motel conversions from 2018–2020, 60%** were redeveloped

as market-rate multifamily housing, workforce housing, housing for veterans, or housing for healthcare workers. How about the rest of those hotels? Around **12%** of the conversions were for homeless shelters, **11%** were for senior housing or assisted living, and **8%** were for student housing.

Other conversions were for health facilities, such as hospitals or quarantine facilities, retail establishments, industrial use, or, in some cases, the structures were even converted into ranch land or other types of developments.



Source: National Association of Realtors, “Case Studies on Repurposing Hotels/Motels into Multifamily Housing”

Image: iStock.com/Julia Ganan

“As long as retail tenants are willing to change and adapt to the new buying habits of Americans, the right retail will not die. People want to have a shopping experience.”

—Mindy Gronbeck, CPM, IREM  
senior vice president

**To read**  
more of Mindy’s  
insights, visit  
the **IREM blog**.

## Sublease slowdown

Compared to 2020, sublease space is entering the office market this year at a much slower rate, according to a new report from Cushman & Wakefield.

About 11.7 million square feet of vacant sublease space was listed in the first quarter of this year. This was a decrease from the 16.4 million square feet of subleasable space added in the fourth quarter of 2020, and an even steeper decrease from the 19.4 million square feet in the third quarter.

Source: GlobeSt.com, “The rate of sublease space entering the market is slowing.”



## Retaining talent

Because of the demands of the property management profession, the field is no stranger to employee turnover. According to figures from the National Apartment Association, the

annual turnover rate of multifamily employees stands at 33%, higher than the average national rate of 22% across all industries. For employers, turnover can be stressful, time consuming, and expensive. AppFolio interviewed various real estate experts about how to make employees happy and retain your best talent.

- **Identify what motivates them.** Beyond salary and benefits, get to know your employees individually to see what makes them feel valued and seen, such as praising them publicly or giving them a few extra hours off work for priorities in their personal life.
- **Be a mentor.** Take time to get to know about each of your employees' career goals, and see what guidance they need from you.
- **Adapt to changing expectations.** Learn more about generational differences. Millennials and Gen Z employees may value different things than Gen Xers.
- **Let them be heard.** Prioritize open and effective communication so that issues are caught early and motivation remains high.
- **Prevent burnout.** Property managers have a never-ending to-do list. Invest in these employees by offering professional development to help them meet the needs of the day-to-day in an effective and healthy way.

Source: AppFolio, "Five ways to boost employee retention in property management"

## Securing leases

In real estate, few topics are more top-of-mind than lease securitization. For expert advice, IREM's "From the Front Lines" podcast team talked with Marissa Limsiaco, co-founder and president of financial services company Otso. The episode covers issues like risk and reward in the post-COVID-19 world, how landlords can mitigate the risks, and maintaining existing tenancies.

"Real estate is pretty simple, right? It's filling up that space, and what are you doing to fill up that space? Sometimes I think you get lost in the Excel sheet and, at the end of the day, you forget that the most important thing is having that tenant occupy that space," Limsiaco says during the episode.

 Listen to the whole interview at [irem.org/learning/from-the-front-lines](https://www.irem.org/learning/from-the-front-lines).



Image: iStock.com/NicolasMcComber

## Strength of the dollar

While some retail chains continue to struggle, discount stores in the U.S. are thriving. Nearly half of the 3,597 large retail chain store openings announced this year are for Dollar General, Dollar Tree, and Family Dollar stores, the latest figures from Coresight Research show.

Source: CNN, "Nearly 1 in 3 new stores opening in the US is a Dollar General."



# Property managers can stabilize distressed properties and turn them into high-value assets.

By Regina Mullins, CPM, CCIM





# From struggling to prospering

**Managing distressed properties** can be rewarding for a dedicated and professional real estate manager who seeks a challenge. No one-size-fits-all solution exists, so the manager's role never becomes stale. Each asset is unique, and every aspect of that asset's operations, including marketing, leasing, staffing, and financing, needs to be reviewed, analyzed, and coordinated with the owner.



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One aspect that all distressed properties have in common is the planning process necessary to turn them around. A distressed property requires a comprehensive management plan that will address all the challenges inherent in transforming the property into a viable investment for its owners and a valued asset to the community.

### What is a distressed property?

Distressed properties often result from a downturn in the real estate market or an economic recession. One example is the 2008-2009 financial crisis. "There was an oversupply of product," Richard Forsyth, CPM, CCIM, explains. "Leasing activity declined. Developers and investors couldn't meet their debt obligations, which led to lender foreclosures—and receivership business for property management professionals."

Even when the economy is thriving, there are other reasons that a property can be classified as distressed. Overbuilding can still prevent some properties from achieving lease-up projections, and they may become nonconforming with the parameters of their financing agreements. This could result in the buildings becoming distressed properties, with a risk of takeover by their lenders.

Some distressed properties have inherent flaws in their original product concepts or designs. A multifamily property may have only studio and one-bedroom units in a multigenerational neighborhood.

Properties also become distressed when they are developed in neighborhoods with insufficient demand, the wrong demographics to support them, or when the property's design does not meet the needs of the intended users. Developers will often use the land they own to develop buildings because of easy access to financing, rather than because of validated demand for the proposed improvements and diligent rental surveys.

Some distressed properties have inherent flaws in their original product concepts or designs. For example, an office building in an up-and-coming neighborhood may have the wrong size floor plates, a shopping center may

be in a location with poor visibility, or a multifamily property may have only studio and one-bedroom units in a multigenerational neighborhood. An asset that was properly designed for the market when developed can become obsolete as users' needs and preferences change and new trends and amenities are introduced.

Properties that are neglected and poorly maintained, with excessive deferred maintenance, or those where customer service to their tenants/residents is considered a low priority, will lose their ability to compete in the market. "Sometimes owners get in a situation where deferred maintenance was much more than anticipated," Forsyth says, "causing the property to become distressed."

Assets can also become distressed when the property has a large debt service and experiences difficulty in making loan payments, with the NOI declining due to drops in rental rates and/or unexpected vacancies. "Properties can become distressed by being either over- or under-leveraged," Forsyth adds.

Potential indicators of difficulties that may signal an asset's decline include job layoffs, plant closings, retail store closings, and a slowdown in the sales of single-family homes. From a real estate management viewpoint, indicators may include higher vacancy rates, a slowdown in rent collections, and unexpected move-outs and/or evictions. Construction of new properties may be put on hold or cancelled.

### Managing distressed properties

Regardless of the various reasons that lead to properties becoming distressed, qualified real estate managers can be assigned the responsibility of developing a plan to restore these assets to financial stability.

There is opportunity in managing distressed properties. Owners are looking for seasoned real estate management professionals to offer solutions and provide value in the midst of challenging circumstances. The professionalism, attitude, and education that these property managers display may end up being the deciding factors that position them for success in managing distressed properties.

Experts in managing distressed properties have a large network for sources of business opportunities. This network to source management opportunities for distressed properties may include

- Local real estate attorneys
- Commercial loan officers

- Accountants
- Appraisers
- Brokers
- Vendors
- Local government officials (economic development offices and real estate tax authorities)
- Local judges
- Developers

"If a real estate manager or management firm wants to get involved in managing distressed properties, I'd recommend getting in touch with financial institutions, banks, and mortgage lenders," John Hatton, CPM says. "I'd also consider attorneys who specialize in distressed real estate."

### Owners of distressed properties

Distressed properties can have several types of owners. They could include the existing owner of the asset, the existing owner and a representative of the owner's lender, just the lender (in the case of either a deed in lieu of foreclosure or an uncontested foreclosure), court-appointed receiverships, or investors seeking to buy distressed properties and turn them around for a profit.

Effective and open communication is critical for owners of distressed properties, who can be challenging clients. "Highly leveraged properties in a down market are particularly difficult," Forsyth says. "Owners want to reduce operating expenses, including property management fees, and defer needed maintenance in order to preserve some cash flow."

### Creating a plan and identifying the problem

First, you need a multidisciplinary team to address various elements of a property's construction, operation,



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*Properties can become distressed by being either over- or under-leveraged.*

—Richard Forsyth, CPM, CCIM



marketing, and overall market conditions. This group will also help define what actions are needed to achieve the owner's goals. The team could involve an internal operations squad of architects, contractors, consultants, leasing brokers, and mortgage brokers.

A real estate manager will begin the planning process for the distressed property by defining the problem. There may be more than one challenge. It could be that inadequate cash flow might be the result of low occupancy.

Upon further investigation, the low occupancy could be due to deferred maintenance that has resulted in poor curb appeal or even poor visibility of the property.

Are the challenges related to physical issues? Are they structural or design issues? Environmental issues such as asbestos or mold can cause major challenges. Is a poor tenant mix creating

some challenges? How are the amenities and parking at the property? Are operational policies and procedures in place and being followed? Is the staffing adequate—too many or too few? Does the property have a leasing plan in place?

Once these questions have been answered, it's time to tackle the ownership and financial issues. These can include

- Lack of operating capital
- Diversion of cash flow
- Lack of clear directions
- High tenant delinquencies
- Below-market rent
- High operating expenses
- Inadequate cash flow
- Reduced market value of property
- Overpayment for existing asset
- High interest rate on debt

Once the issues have been identified, prioritization becomes key to beginning a path back toward meeting the owner's goals. It doesn't make sense to prioritize addressing an issue that will have little or no impact in achieving financial stability.

The seasoned professional will concentrate resources—money, effort, and time—on those issues that will make the biggest impact on the distressed property. Physical and operational problems may be the quickest and easiest issues to resolve, provided cash is available for the action items. However, money must be spent wisely to achieve the greatest return on the investment. Management and leasing issues can involve an assessment of the effectiveness of the staffing in place, marketing programs, and other areas.

With a forward-thinking owner and a team of professionals, much can be accomplished, and a distressed property can be turned into a viable, stabilized investment.

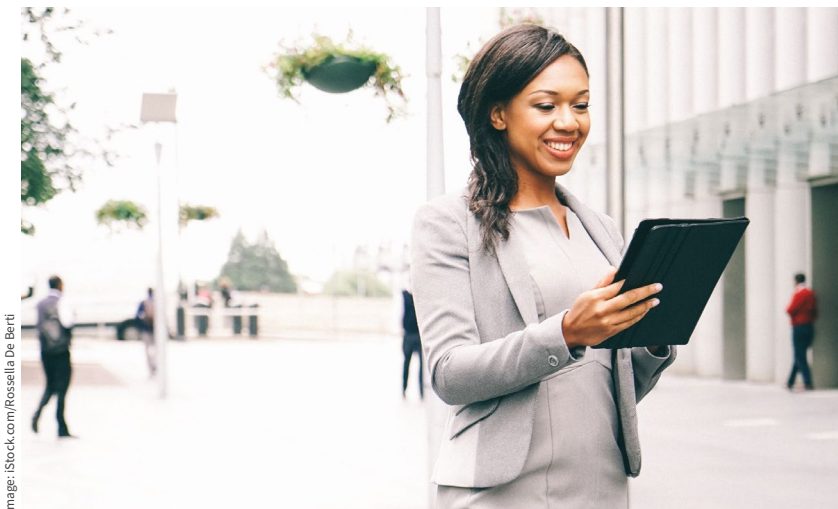


Image: iStock.com/Rossella De Berti

Ownership questions are best discussed in one-on-one meetings, which can in turn become an opportunity for the manager to discover previously unknown issues. Financial issues may involve negotiating with the lender to seek mortgage forbearance or a temporary loan adjustment. This could allow time for filling vacancies or increasing property cash flow so that the property can meet debt service coverage or any other requirements of the lender.

### Making the case

The following is an example of a distressed property with an action plan outlined and

the results that can be achieved with such a plan. A 19-story office building built in 1974 was acquired by a large institutional company in 2016. The occupancy was 52% with seven tenants. Very few upgrades had been completed. The property had a 550-space garage attached to the building with elevator transportation to all levels. Windows were the original single-pane glass installed during construction, which affected the energy efficiency of the property. The roof was 22 years old, and none of the restrooms had been renovated. The property had enough cash flow to pay all operating expenses with some money for distribution to ownership.

An action plan was created, and implementation began in earnest in 2017. The garage was updated with paint, signage, new elevator lobbies, new insulation, and asbestos abatement. In addition, a new pathway was created to enhance the route into the building.

At the same time, the second entry from a plaza at the fifth-floor entry was created with pavers, landscaping, and outdoor furniture. The following year, the fifth-floor elevator lobby was renovated with glass, stone, and marble flooring. This renovation eliminated an awkward entry that included stairs and one broken door. There is now a revolving door with two side entry doors for handicap entry.

Window replacement was of the utmost concern. Ownership did not want to inconvenience existing tenants with long-term moves. A new product was located that could be installed on the interior without utilizing scaffolding on the exterior and without removal of the original windows. Average replacement time

per window was 30 minutes. By utilizing this method versus the traditional window replacement method, a savings of \$5 million was achieved. Since making the upgrade, energy costs have been reduced by \$0.60 per square foot.

Restroom and floor elevator lobbies were the next issue to tackle. The action plan outlined the completion of four floors per year. The number of restrooms and lobbies renovated increased during the COVID-19 pandemic, as most tenants were working remotely. The fitness center and its equipment have been upgraded. A conference center has been added, along with a tenant socializing area. The roof was also replaced, as major leaks were developing. Even all the elevator cabs have been renovated.

Initial asking rents were \$36/sf, while the market rents were \$42/sf. After all the improvements, current asking rents are \$44/sf. Although the COVID-19 pandemic slowed some of the leasing progress, current occupancy is expected to be at 83% by the end of 2021. Turnaround of the distressed property is well underway.

With a forward-thinking owner and a team of professionals, much can be accomplished, and a distressed property can be turned into a viable, stabilized investment. It takes time, money, patience, and a group of visionaries.

If you're up for the challenge, there will always be opportunities to manage distressed properties. Those opportunities will only grow amidst the long-term recovery from the impacts of the COVID-19 pandemic. "The next few years will be huge," Hatton says. "Landlords haven't been collecting rents, so there will be mortgage defaults."

While the economic circumstances accompanying this category of opportunity are unfortunate, real estate managers who excel at communication, work well with a diversified team, possess the ability to analyze a problem, and make a game plan are in a position to benefit from taking on the challenge. ▀

**Regina Mullins, CPM, CCIM**, is a director at Cushman & Wakefield, AMO, in the D.C. metro area and served as IREM president in 2008. In addition to leading courses as an IREM instructor, she is also a director of the IREM Foundation.



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The next few years will be huge. Landlords haven't been collecting rents, so there will be mortgage defaults.

— John Hatton, CPM







# Invaluable pre

**Each year,** we as real estate managers spend countless hours perfecting our budgets for the coming year. We pour over contracts and leasing projections, trying to estimate material costs and staffing needs. For the most part, the results are straightforward and respectable, but then the inevitable happens: real life.



Image: iStock.com/SARINVA PINNGAM

# dictionaries

A deep dive into budget forecasting

By Salvatore Dragone, CPM, ARM, CCIM



In 2020, real life became somewhat unreal, and most budgets weren't worth the paper they were written on. But not every year is like 2020.

In other years, a bad winter or hot summer can wreak havoc on any budget. When you encounter such a year, as we all did in 2020, you quickly understand why forecasting—and reforecasting—your budget is an important aspect of any well-run property.

### First, the basics

We'll start with the terms.

A forecast is typically associated with the first attempt of predicting income and expenses based on historical or known data of a specific property or budget. A reforecast is typically associated with updating the forecast for the same specific property or budget. My experience has been that most managers use the term "forecast" when creating budgets and "reforecast" when projecting a budget's changes over the course of a year or other time period.

The first time that a manager may be required to forecast is when they're creating a budget for any future period. While the term "zero-based budgeting" can sound smart or clean, the reality is that almost nothing is zero-based. At a minimum, you'll have pricing for services in place that you'd most surely rely upon. Still, when creating a budget, you're forecasting income and expenses

based on a variety of factors such as leases in place, future absorption, economic climate, inflation, general services, taxes, and financing.

"If I had to pick one line item that new managers struggle with when it comes to budget forecasting," Wendy Dutenhoeffer, CPM, says, "it's understanding the revenue line items and how vacancies, concessions, escalations, other income, and lease renewal dates factor into the correct calculations for budgeted revenue."

Jay Kacirk, CPM Emeritus, CCAM, with Eugene Burger Management Corporation, sees new managers struggle with expense considerations. "Areas related to budgeted maintenance are a challenge for many. This usually improves with time as you get to know a property, but a new manager doesn't always have that perspective."

Assuming historical information is available, the first steps typically are to look back 12 to 24 months and begin the process of evaluating past expenses to forecast future expenses. This can be done by using methods such as percentage trending. With this method, you analyze the year-over-year or period-over-period increases and/or decreases in certain expenses. Having identified the "trend" in these changes, you can then apply it as either a percentage or whole number to future periods of the same corresponding length.

Examples of line items where this method is effective include property taxes, landscaping, fire protection, and other non-occupancy-related expenses. If these expenses have increased by 2% on average over prior years, then it would be reasonable to assume that the trend would continue. You can inflate current-year expenses by 2% to create a future-year budget.

If these expenses are related to occupancy, there will be some variability, and extracting simple trend lines will not work. For example, suite cleaning, utilities, and even management fees involve other factors that will affect

their future values. Simply applying a percentage increase could result in a significant under- or over-forecasting of expenses.

In this case, apply a percentage multiplier to base costs, and then calculate a variable amount related to occupancy. When taken together with leasing absorption assumptions, this



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If I had to pick one line item that new managers struggle with when it comes to budget forecasting, it's understanding the revenue line items. —Wendy Dutenhoeffer, CPM

Over the years, I have estimated that projects run about **\$0.15/sf**. I use this information to better gauge the number of projects that I can accomplish in any given year.

method will result in a competent budget, or at least the beginning of one.

In either situation, I always perform the calculation and then step back to compare the entire forecast to prior periods. This is how we can see the big picture. Simply applying percentage increases or decreases may seem reasonable based on a trend at the account level, but

expenses. Applying a percentage to those expenses for future years isn't recommended, as the expense likely won't reoccur.

A better option is to look at historical data based on a grouping of projects instead of a particular line item. For example, I oversee the management of about 15 million square feet of office space. Over the years, I have estimated that projects run about \$0.15/sf. I use this information to better gauge the number of projects that I can accomplish in any given year. I also know that it represents about 2% of my operating expense budget—a good metric to remember. If during the year my expenses begin to trend higher or lower, the number of projects can help me bring a budget back in line.

sometimes when everything is added up, the results are skewed. "Budgeting requires both a view from 10,000 feet, or big picture, and one from ground level, in the weeds," Dutenhoeffer says. "If new budget managers fail to look from both altitudes, they cannot clearly see where they are going."

Many repairs and maintenance items are one-time projects or at least not completed annually. One example is electrical infrared testing, which is generally completed every three to five years. Your historical expenses may have one-time large projects, such as seal coating a parking lot or renovating a cooling tower. A very snowy winter may also create anomalous

Now that your budget is done, and you have forecast the expenses for the coming year, your job is done, right? Of course not, you're a property manager—the job is never done. Over the next few months (typically on a quarterly basis), you should perform a reforecast of your budget to ensure your management efforts are resulting in income and expenses representative of your original budget.





Considering that projects typically require higher cash needs or capital, planning and executing them is critical to cash flow projections.

We can break this process down into four stages.

### Stage 1: First-quarter reforecast

I call this the “soft” reforecast, as it’s early in the year and you have only limited information. “The first-quarter reforecast is always the most challenging since there is not a lot of history for the current year,” says Lynne Miller, CPM, RPA, LEED AP O+M, with Charles Dunn Real Estate Services. “In addition, unanticipated increases might occur, but notices of the increases might not be provided until later in the year.”

The key to the first-quarter reforecast is to set yourself up for the remainder of the year, allowing you to easily update the actuals, while reforecasting the remaining months of the year. It’s probably been about six months since you created the budget. By now, although the picture isn’t entirely clear, you should have a better handle on leasing and other income generators.

While this exercise may not result in a reforecast greatly different from your

original budget, it is a beginning, and any results should be communicated to the ownership as part of your regular updates. No matter what reforecast you’re creating, you’ll need to pay particular attention to leasing and occupancy, as they will greatly influence many of your expenses, particularly management fees and utilities, which can make up as much as 30% of your overall expenses.

### Stage 2: Second-quarter reforecast

The next milestone, and a very important one, is the second-quarter reforecast. For many, this is the basis of next year’s budget. Unlike the first-quarter go-round, this reforecast should be considered a “hard” reforecast.

I require my managers to not only reforecast income and all expenses, but to submit a full-blown report. Time is set aside with ownership to dive deep into the forecasted income and expenses to ensure we’re on track, make decisions that will get us back on track, or simply approve any large variances.

Those large variances can lead to difficult conversations with owners. “Be prepared, do your research, review the numbers, and consider the effect of alternatives,” Miller says. “The key is communication. When emergency situations or any unbudgeted expenses arise, notify your owner as soon as possible to avoid surprises.”

Particular attention is given to operating projects and capital projects. The second-quarter reforecast is critical in deciding whether remaining projects are still feasible or must be pushed to the next year. Doing an analysis of whether you can complete projects is frequently overlooked. Projects can take time to develop and, in many cases, are delayed due to outside forces, such as material costs or lack of labor. Considering that projects typically require higher cash needs or capital, planning and executing them is critical to cash flow projections.

You may want to make a case with your owner for moving forward on some projects, “even when net operating income is significantly lower than budgeted,” says Kacirk.



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*Areas related to budgeted maintenance are a challenge for many. This usually improves with time as you get to know a property, but a new manager doesn't always have that perspective.*

—Jay Kacirk, CPM Emeritus, CCAM, Eugene Burger Management Corporation



“

*The key is communication. When emergency situations or any unbudgeted expenses arise, notify your owner as soon as possible to avoid surprises.*

— Lynne Miller, CPM, RPA, LEED AP O+M, Charles Dunn Real Estate Services

quarter reforecast as benchmarks for the future budget (for example, 2021 budget vs. 2021 reforecast vs. 2022 budget). Over the course of the next few months, the reforecast and the next period's budget are updated simultaneously, ultimately resulting in a new budget and the third-quarter reforecast.

### Stage 3: Third-quarter budget

The third-quarter reforecast and the months following it are critical for a few reasons. First, it's your last chance to make changes before the end of the year. It's also your last chance to communicate to ownership any anticipated variances that may greatly affect cash flow. Finally, it's your last chance to communicate any large variances to your commercial tenants in preparation for the year-end reconciliation.

For me, the ability to communicate with my commercial tenants any anticipated year-end reconciliation is critical in ensuring strong landlord-tenant relationships. There are not many things worse than having to tell a tenant that they owe a substantial amount of year-end reconciliation payments when we're already two or three months into the

“Communicate regularly with your clients about these variances, and get them to understand the need to fund important projects. That may mean capital contributions in some cases, which property managers generally don't like to ask for, but it is an important aspect of the job when necessary for the preservation of the asset or for stabilizing an investment's performance over time.”

Other frequently overlooked items with great cash-flow consequences are tenant improvements and leasing commissions, specifically when the latter are scheduled to be paid out.

We use the current year budget and second-

next year. Most tenants close their books on Dec. 31, and unless they anticipated a year-end reconciliation, they will not have accrued for it. When they get that big bill, they are not too happy. In most cases, they will have to find the money in their current year budget, taking away from some other planned expenses. Giving your tenants a heads-up may seem hard at first, but trust me when I tell you, it is a lot better than surprising them later.

### Stage 4: Year-end reconciliation

The year-end reconciliation is no longer a forecast or reforecast, but rather the final stage in your forecasting or reforecasting exercise. It's the scorecard for the work that was done throughout the year, both in operating and adjusting your income and expense projections. If you stayed on top of your income and expenses, your year-end actuals shouldn't be a surprise for your ownership, your tenants, or yourself.

In the end, forecasting and reforecasting your budget is a critical part of managing your property, along with your stakeholders' expectations. A diligent process builds confidence in your relationships with ownership and your tenants, allowing you to make proactive adjustments rather than reactive excuses. ▀

### Salvatore Dragone, CPM, ARM, CCIM,

is the senior vice president and director of property management for Rubenstein Partners in Philadelphia. In addition to serving IREM as both a course instructor and webinar presenter, he is on the board of directors of BOMA Philadelphia and is an adjunct instructor at Drexel University, where he sits on the Real Estate and Development Advisory Board.





# What's at stake for these affordable housing communities across America

By Barbara Jaco, CPM

## Social gatherings can be awkward,

even for extroverts. When I meet someone new, the topic of what we each do for a living is the question that follows the formal introduction. When asked, I respond with a large enthusiastic smile: "I manage affordable housing in rural areas across the Southeast!" Next comes the predictable pregnant pause, the head tilt, and the forced smile.

I am familiar with the preconceived notions that people have when they picture affordable housing. While they usually envision the distinctly urban housing projects that for many years represented the public's idea of what public affordable housing looked like, I am proud to educate them on the wonders of rural affordable housing and the many unique characteristics of these homes. Most of my adult life has been spent developing and managing these communities, and I am passionate about the government programs that make them possible.

Our properties are special and home to amazing people with unique life stories. My career has been dedicated to the management





# otlight



Image: iStock.com/georgackerl



and ownership of such affordable communities, with a heavy emphasis on one housing program: Farmers Home Administration Section 515, now known as the USDA Office of Rural Development (RD). RD 515 is among the few rental housing production programs specific to rural communities. To understand America's affordable rural housing communities in 2021, we first must look at their history.

### Deep roots

In 1946, following the effects of The Great Depression, the Farmers Home Administration (FmHA) was approved by Congress as a financing tool designed to reestablish self-sufficiency. The FmHA was renamed several times before becoming USDA Rural Development (RD). In the 1960s, the



**“**  
To date, we have redeveloped and preserved 369 properties [13,000 units] across 12 states, investing over \$1.6 billion in development costs with an average of \$35,000 per door in hard costs.

—Tanya Eastwood,  
Greystone Affordable  
Development

War on Poverty brought about new ideas on how to provide housing for the poor. This included moving away from government-owned housing and toward public-private partnership arrangements in which the private sector would build and manage affordable housing, and in the process, crucially, benefit from federal tax incentives.

Section 515 Rural Rental Housing was established in 1963 and has financed nearly 28,000 rental properties consisting of over 530,000 affordable units. Also included under RD's financing umbrella are general water and sewer projects as well as housing for non-farmers in rural areas.

Fast forward a bit: What happened to those

mortgages made in the 1960s with their expiring terms? An increase in rents and a displacement of residents. In the 1980s, owners of Section 515 loans started prepaying their mortgages, converted their communities to market-rate housing, and were no longer restricted to the RD rules and regulations. By the 1990s and into the 2000s, properties were clearly showing their age and needed funds for renovation.

Realizing the affordable housing crisis was only getting worse, federal agencies including RD contended with owners to stop mortgage payoffs. Owners fought back through filing lawsuits. While these owners did not have their prepayment rights restored, a 9–0 ruling by the U.S. Supreme Court stated that Congress had abrogated the contracts that had been signed by the government and owners (*Franconia Associates v. United States*). Owners could sue for damages to seek monies that they could have received if the properties had been sold. Properties with RD 515 mortgages prior to Dec. 15, 1989 were determined eligible for mortgage prepayment, leaving the existing housing stock at risk of rapid loss.

### Adaptative response

In the late 1980s, stakeholders joined forces to preserve affordable and subsidized housing for low-income households by utilizing available refinancing structures and the Low-Income Housing Tax Credit (LIHTC). The LIHTC has stood the test of time and proven to be a triple-win proposition by (i) providing developers with an additional “source” of project financing, (ii) securing for investors a dollar-for-dollar reduction on future federal tax liability, and (iii) requiring that affordability be maintained for upwards of 30 years.

From a policy perspective, the initiative—spawning out of President Ronald Reagan's 1986 tax reform—has been the most successful and bipartisan affordable rental housing production program in U.S. history, assisting in the development and preservation of nearly 3.5 million affordable units across America's vast countryside.

Conversely, industry headwinds are multi-layered and troubling. No new USDA-RD direct-financed rental housing has been developed in a decade, and the existing housing stock is reaching the end of the affordable road. In fact, a whopping 90% of all RD 515-financed properties are now more than 20 years old.

When an RD 515 loan nears maturity or is eligible for prepayment, an owner has several options to choose from

- Pay off at maturity
- Pursue RD's prepayment process (resulting in myriad outcomes)

- Transfer ownership (which then obtains amortized financing)
- Recapitalize with additional and/or refinanced debt from a new lender
- Foreclosure

### Past, present, future

The Housing Assistance Council performed a study in 2018 that estimated that by the year 2027, 815 properties and 20,000 units will leave the program due to maturing mortgages. After 2027, maturities will continue, putting another 93,000 units at risk.

While Section 515 has financed over 533,000 units across 28,000 properties since its inception, its current portfolio has shrunk to just 13,000 properties. Tenants living within these properties are some of the most vulnerable renters in the nation—67% are disabled or seniors, and the average household income is \$13,600.

To begin the process of prepayment, the owner must make a formal request to RD, and the agency in turn notifies the tenants that the owner has applied to remove the property from the program. Understandably, tenants often react with panic. Some take steps to move even before discussions begin. RD also provides notices to the public and nonprofits that have asked in advance to receive such notices on its Preservation Information Exchange website. If the property is eligible for prepayment, RD must offer owner incentives to remain in the program. These incentives can include additional project-based rental assistance, an equity loan, permission to obtain a third-party equity loan, and an increase of the return on the owners' investment (which is otherwise restricted by the program). If the owner accepts the offer, they must maintain affordability for at least 20 more years.

If the owner rejects RD's incentive offer, then RD must make two determinations: Will minority residents (on the waiting list or in the community) be disproportionately affected by the loss of the affordable units, and is there adequate comparable replacement housing available for current residents? If RD finds there is an adverse impact to



Image: Boyd Management

the residents and/or community, the owner then has four options

- Prepay the loan (subject to RD use restrictions)
- Appeal RD's decision through USDA's appeals process
- Keep the property in the RD program
- Offer the property for sale at market rate to a nonprofit or public agency, which must in turn keep the property for low- and very low-income tenants for the property's remaining useful life

If an owner wishes to keep a property in the RD affordable housing stock but needs to recapitalize or request the reamortization of existing 515 debt, there are options to consider. These include Section 538 guaranteed rental housing loans, Multi-Family Preservation and Revitalization (MPR) demonstration program financing, the RD Preservation Revolving Loan Fund (PRLF), and additional project-based rental assistance. Reamortization under new rates and terms for the existing 515 loan provides a significant advantage over replacing the debt because the RD loan remains in place and the property retains its eligibility for project-based rental assistance. RD is willing to amortize even small loans reaching the end of their maturity date.

RD has the authority to make deals work, in good faith, with the objective to move the needle toward longer-term preservation. Therefore, the recent reorganization of RD



Sandy Bay —  
Kingstree, SC



has matched those negotiations and loan processing with well-trained, experienced RD personnel. Prior to restructuring, negotiations and loan processing resided with RD state and county personnel, who may or may not be equipped to handle complex transactions. Restructuring is designed to eliminate the learning curve and make all possible servicing tools available for preservation. RD is making it known, "We are open for business. Let's make a deal!"



**“**  
*Preservation is expensive and takes money from both the private and public sectors.*

—Colleen M. Fisher,  
Council for Affordable and  
Rural Housing

Businesses have heard the call, even before the RD restructuring. Large and small, property managers and owners alike have continually been able to identify and capitalize on the many solid investment opportunities present in the rural affordable housing market.

One of the most successful RD 515 preservation models began as an experiment in 2006 in a small conference room at Boyd Management, Inc. (BMI) in South Carolina. WWJ, LLC, an affiliate of BMI and one of the largest

owners of RD 515 properties in the country, was faced with daunting preservation roadblocks and a large portfolio of RD assets. What began as a happenstance meeting between Greystone Bank President Bob Barolak and BMI President Ken Wheat turned into a long-term partnership of 515 preservation and good business.

I recently caught up with Tanya Eastwood, president and CEO of Greystone Affordable Development. Under her leadership, Greystone helped pioneer the preservation of rural affordable housing and has closed more RD preservation deals than any other organization in the United States, with no signs of stopping. I asked her about the success of this RD partnership and where she sees it heading in the near future.

"To date, we have redeveloped and preserved 369 properties [13,000 units] across 12 states, investing over \$1.6 billion in development costs with an average of \$35,000 per door in hard costs," Eastwood says. "We have active pipeline transactions in various stages in 15 states."

### Voices from the field

The question for all of us to consider, then, is how do we preserve Section 515 rural housing and protect vulnerable residents while being fair to owners, investors, and any other stakeholders?

Nancie-Ann Bodell, deputy administrator of Multifamily Housing at USDA's Rural Housing Service, has a plan and was quick to positively respond to my inquiry for an interview.

**Barbara Jaco: We love the Rural Development 515 program and the residents we serve. That said, our industry is on edge with concern that government restructuring will gobble up the RD 515 program, merging it into—and managing it like—the U.S. Department of Housing and Urban Development (HUD). Are these concerns merited?**

**Nancie-Ann Bodell:** We recognize RD 515 is a unique program, and that is important to preserve. This program will not be merged with HUD. We see a bright line drawn between these two housing programs, and it would be very difficult if not impossible to actually merge them. However, there are processes that HUD adopted that can be duplicated to gain efficiencies and solve problems. As stakeholders see these implemented, they respond with the merger concerns. One example where we can utilize a HUD practice at RD is through the utilization of third-party inspectors, whereby the process is more efficient and cost-effective.

**BJ: What was the ultimate goal of RD's recent major restructuring?**

**NB:** The objective was to modernize a program built on a 1970s servicing model, and to do so in a way that would provide agency flexibility to attract capital into our rural markets. With aging owners and maturing mortgages, the agency had to restructure in order to evaluate the portfolio, and then place our focus where needed most.

**BJ: What changes will impact management agents and owners in the near future?**

**NB:** Our goal is to streamline and simplify rather than burden management agents and owners with meaningless work. This is a federal program, and requirements should be standardized and each have a purpose. We use the "no worse test" in our decisions, which means if a new requirement places a burden that is worse than before, we won't do it.

**BJ: The average RD 515 property is only 32 units, which isn't a typical model for attracting capital. What ideas are being discussed to energize the flow of preservation capital?**

**NB:** We want everyone to know that RD is open for business and open to all ideas. RD 515 is the only program dedicated solely to rural rental housing, and our mission is to preserve this very special market of rural affordable housing.

I also spoke with Colleen M. Fisher, who has been the executive director of the Council for Affordable and Rural Housing (CARH) since 1996. CARH represents the interests of stakeholders in the building, development, management, and ownership of housing in rural America.

**BJ: Colleen, what can members of our industry do that will help wave the flag for preservation?**

**Colleen M. Fisher:** Congress needs to understand the complexities of and fund housing for rural areas. Preservation is expensive and takes money from both the private and public sectors. The best thing our industry can do is to get members of Congress to visit the RD properties, so they can see firsthand the quality housing and the very special bond between the residents, site managers, and maintenance technicians.

**Home, safe and sound**

Once we understand the underlying programs that make these projects possible and the challenges facing our industry, it is then most important to recognize what is at stake. Our properties provide more than just shelter

for thousands of families across the country. They provide activities for children, socialization for seniors, and a sense of community for everyone. For example, when COVID-19 caused school closures, many children in our rural properties were faced with a lack of access to reliable internet access for online classes. Our properties reacted with mobile Wi-Fi, making online school possible for countless children who may have otherwise missed out on an entire year of education.

Among their many other essential functions, property managers throughout our rural portfolio are dedicated to the resident experience. Whether it's potluck dinners, holiday parties, or a simple hello, they treat these properties as more than just apartment communities; they embrace them as homes.

**Better understanding**

Now when you hear the term "affordable housing," do you still think of your nearest major city's massive public housing projects developed back in the '60s and '70s? Or do you picture rural neighbors gathering for a Thanksgiving meal, judging a Halloween costume contest, or sitting for a game of backgammon? That is what is at risk as we face the many aforementioned challenges. It is undoubtedly an uphill battle, but one worth fighting. ▀

**Barbara "Babbie" Jaco, CPM,** is vice president of CAHEC Management, Inc. in Columbia, South Carolina. She also serves as a member of IREM's Federal Housing Advisory Board.



**“**  
*Our goal is to streamline and simplify rather than burden management agents and owners with meaningless work.*

—Nancie-Ann Bodell, USDA Rural Housing Service





# Together we thrive

The 2021 IREM Global Summit heads to Las Vegas

By Lucinda Lilley, CPM, CAPS, GRI





One of the foremost benefits of belonging to IREM is the chance to connect with real estate management professionals who know what you're dealing with and understand the highs and lows of being a property manager.

I have found that being a part of this community is an indispensable part of my IREM experience, lifting me through the most difficult times and leading to growth as a real estate manager, leader, and person.

That's why coming together live and in person at the 2021 IREM Global Summit at the Red Rock Casino Resort & Spa in Las Vegas from Oct. 11–14 will be so special. 2021 IREM President Chip Watts, CPM, CCIM, has rightly seized on a theme of resiliency through togetherness. He's called on us to realize the importance of our work as real estate managers, which has become even more evident over the course of the global pandemic.

The 2021 IREM Global Summit in Las Vegas is our opportunity to recapture that sense of togetherness as we lead the organization through an exciting period of rapid industry change. The Summit is our chance to thrive.

### Influence

As always, the business of IREM has a prominent place on the agenda, as all of our committees and boards will convene.

The Summit helps put IREM on firm footing for what lies ahead. Today, the industry is at a critical point, with so many changes rapidly brought about by the pandemic, the acceleration of automation technology, and other underlying factors. We invite you to seize this opportunity to connect with like-minded individuals who are passionate about real estate management and to take the chance to put your best volunteering foot forward to help shape the future of IREM and the real estate management industry.

I'm constantly reminded, particularly at the Global Summit, that we can extend our influence from the local level to the national—and all the way to the international—level. I get such inspiration connecting with my global IREM friends as we work together to shape the industry around the world.

While the face time in Las Vegas will be invaluable, committee and board members who are still unable to travel for business, or are uncomfortable traveling, will have the option of joining their meetings virtually.

Note that this virtual option is available only for committee and board meetings. Other essential elements of the Summit, including keynote speakers and education sessions, will be exclusively in person.

Recovery is coming. According to officials, we'll have made great progress in vaccinations by the time we meet in Las Vegas. Your safety and well-being are a top priority, and we are committed to putting additional safety measures in place to ensure a smooth on-site experience.

IREM will continue to consult with the Red Rock Casino Resort & Spa on our procedures, as we all know how quickly guidelines can evolve. The resort has a strong commitment to guest safety, with standards and protocols that meet or exceed the

*IREM will continue to consult with the Red Rock Casino Resort & Spa on our procedures, as we all know how quickly guidelines can evolve.*







Image: iStock.com/pixelfit

## Networking is a big part of the IREM Global Summit experience.

highest standards set by federal, state, and local authorities.

### Learn

IREM will hold a number of stellar education sessions for those who attend in person. The sessions will cover timely topics relevant to today's opportunities and challenges, delivered by industry-leading presenters.

And, there are three keynote speakers you don't want to miss—they'll truly inspire you!

First, we're excited to welcome as our opening keynote Risha Grant, founder and CEO of Risha Grant LLC, an award-winning diversity consulting and communications firm. With passion, persistence, and knowledge, Risha has worked with governors, NBA teams, mayors, and CEOs of Fortune 500 companies to reduce bias and advance understanding of diversity and inclusion.

Next, we'll be joined by Jon Acuff. In every element of work and life, goals matter. Jon will share what it takes to turn a chronic starter into a consistent finisher. He's a *New York Times*-best-selling author of seven books, including his *Wall Street Journal* No. 1 bestseller, *Finish: Give Yourself the Gift of Done*.

And for our closing keynote, we're thrilled to have Liz Bohannon, founder of Sseko Designs, an ethical fashion brand that works to educate and empower women. Liz will share how you can't dismiss someone's success by calling it "beginner's luck." What if the very fact that they were a beginner is what gave them the advantage to succeed?

It's also important to mention the opportunities that you will have to learn from IREM's industry sponsors and other service providers. You'll have chances to connect with them to find new solutions for your businesses.

### Network

Networking is a big part of the IREM Global Summit experience. I always look forward to connecting with members from around the world, especially other IREM instructors and my fellow CPMs who lead their AMO firms. Of course, I also enjoy meeting new friends—that's part of the Summit fun!

The Red Rock Casino Resort & Spa has lots of dining and gathering areas for ad hoc meetings or catching up with IREM friends. Las Vegas has become quite the culinary destination in recent years, and the Red Rock is on top of its game with many tiers of dining options. Among the resort's outstanding restaurants are upscale steak and sushi; a noodle bar that blends Chinese, Japanese, Vietnamese, and Thai cuisines; and casual Italian fare at Osteria Fiorella from James Beard award-winning chef Marc Vetri.

Want to explore your bold side? Consider the adventures available just outside the resort. The Red Rock is nestled in ancient sandstone cliffs, where you can arrange to go horseback riding, river kayaking, or bike riding.

The resort has some other fabulous amenities. You'll find gaming, of course, where you can try your hand at blackjack,



Image: iStock.com/rez-art

**Register** for  
the Summit at  
[irem.org/events/  
global-summit](https://irem.org/events/global-summit).

How does bowling sound? Red Rock Lanes is a luxury casino bowling center with 72 lanes, a game room, and private VIP suites to make for a memorable experience.

### Celebrate

Did you think we'd miss the celebrations? Not a chance. It's Las Vegas, after all!

We'll kick off the Summit with the Opening Premier Party poolside, honoring 2021 IREM President Chip Watts. The night will be filled with great food, drinks, and dancing. And back by popular demand, we'll feature a live performance from the Nashville-based Chris Weaver Band, the musical act that appeared at the 2019 IREM Global Summit in San Francisco.

And, there will be opportunities to explore all of the great things the IREM Foundation is doing. Learn how you can support the Foundation at a time when its

slots, bingo (eight one-hour sessions daily at the Red Rock Bingo Lounge), or just take in the action.

scholarships and grants are doing so much to move the industry forward.

The Summit culminates with the Inaugural Gala, where we'll celebrate Barry Blanton, CPM, and usher him in as 2022 IREM president. The celebration will also feature the REME Awards—a chance to recognize real estate management excellence among our peers. Will you be among those honored?

Serving as chair of the Conference Advisory Board this year is such an exciting opportunity, particularly as we're able to return to an in-person event. Let's embrace Chip Watts' valuable message of resiliency and togetherness and make the most of this meaningful event as the IREM community comes together to thrive again. ▀

**Lucinda Lilley, CPM, CAPS, GRI**, is chair of the IREM Conference Advisory Board. She is a vice president of FBS Property Management, AMO, in Southern California. She was president of IREM's San Diego Chapter in 2019 and 2020 and serves on the IREM Ethics Committee as well as the IREM Ethics Hearing & Disciplinary Board.



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# Olympic legacy

*Looking at the effects of the 2020 Olympic Games on Tokyo's local real estate market*

By Kiyoshi Inomata, CPM, CCIM

A Google search for "Olympics abandoned buildings" brings up over 1.4 million results. Estimates for the 2016 Summer Olympics show that hosting the games cost Brazil as much as \$13 billion, yet less than a year later, the site of the Olympic Park was abandoned, with weeds growing in between sections of concrete in the plaza.

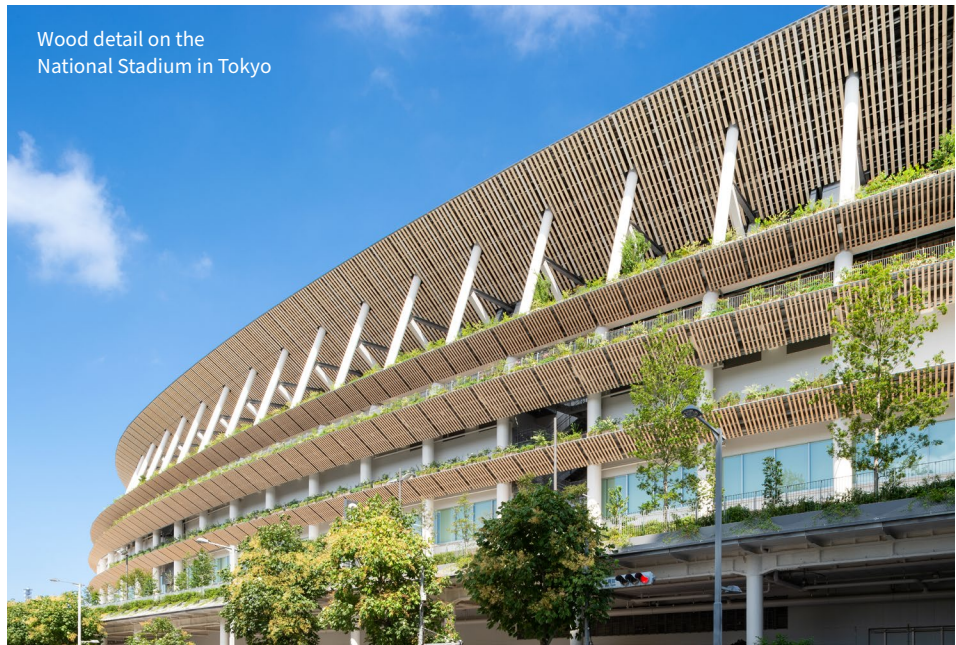
This is just one example. There are structures in countries around the world that are quickly abandoned and fall into disrepair after hosting the Olympic Games.

The 2020 Summer Olympics are currently scheduled to be held in Tokyo this July and August, a year delayed from their original date due to the COVID-19 pandemic, which could cause the games to again be postponed or ultimately canceled.

Whether or not the games are held, Tokyo provides an interesting case study to examine how the Olympics can affect the real estate market. It has been seven and a half years since Tokyo was selected as the host city and 57 years since Tokyo last hosted the Summer Games in 1964. We can start to ask whether the games will be a waste of money for just a few weeks of celebration or whether sustainability could become a larger focus.

## Been here before

In 2013, immediately after Tokyo was selected as a host city, the Japan Real Estate Institute (JREI) conducted a survey of investors titled "The impact of the decision to hold the Olympic Games on demand." Most respondents agreed that demand would be limited to the area around the venue and Central Tokyo. In fact, no respondents believed that the games would affect demand in other prefectural capitals, and only 7% believed that they would affect demand in the central area outside of the Tokyo suburbs.



Wood detail on the National Stadium in Tokyo

Image: iStock.com/Ryosel Watanabe

There are two reasons for this.

The first is that 30% of Japan's population is already concentrated in the Tokyo metropolitan area, the largest metropolitan area in the world with 38.5 million people. This has been a remarkable trend since the mid-1990s; Tokyo has become so concentrated that there was very little room for the games to have any significant effect in the first place.

The other reason is that the 1964 Summer Games already resulted in a substantial development of infrastructure; thus, the typical strain that an upcoming Olympics hosting would place on the stock of public capital has already been reduced.

We see this in a comparison of expenses to gross domestic product (GDP). In 1964, the total amount spent on direct expenses related to the Olympics and infrastructure development was 1 trillion yen (approximately \$9.18 billion). This amount is about four times higher in 2021 at 4.2 trillion yen (\$38.59 billion), but nominal GDP is 12.6 times higher; Japan's GDP in 1964 was 1.5 trillion yen (\$13.78 billion) but is now 19 trillion yen (\$174 billion). The actual relative impact of the Olympics has fallen by one-third, dropping from 67% of GDP to 22%.

## Building on the past

The number of rental housing starts is also low compared to the high-growth period from the 1960s to 1970s and the prosperity of the bubble period in the 1980s. In fact, the number is unchanged from where it was at the time of the 1964 Olympics.

Considering that Japan's population has increased from 97.8 million to 125.6 million, and that many houses in Japan have a short construction cycle and are designed to be rebuilt every 30 years, the decision to host the Olympics does not appear to have had a major influence on current rental housing starts.

On the other hand, several transportation infrastructure maintenance and connection issues have seen major progress. Access from international airports to the surrounding areas has improved, as have the connections from areas along Tokyo Bay (where piers, warehouses, and office districts are concentrated) to the suburbs (where residential areas and industrial parks are located). Chronic traffic congestion caused by bypass roads in the city center is also improving. This only serves to make the city a more attractive target for investment and is expected to remain a factor in driving further population concentration in the medium-to-long term.

## Forward thinking

There are many projects at the 2021 Olympic Games designed to leave a legacy for future generations.

The Olympic and Paralympic Village, for example, was constructed on an area of land reclaimed from Tokyo Bay. Housing units in the Village will subsequently be renovated and turned into 1,487 rental units and 4,145 condominiums after the games are over, with an expected average of 2.6 potential buyers per unit and a maximum of 71 buyers per unit. Unfortunately, these units have become poster children of the Olympics' effect on real estate, as the postponement of the games has caused issues with delivery of the housing units.

Efforts have also been made to promote sustainability. The National Stadium was built on the site of a previous Olympic venue and incorporates a large amount of small-gauge timber frequently used in Japanese houses. Such prominent use and display of this wood has the added benefit of actually promoting forest conservation. The structure also relies on natural ventilation. The building was designed by renowned architect Kengo Kuma and is considered a successful implementation of sustainable development goals in a Japanese style.

Finally, the Village Plaza, one of the main facilities in the Olympic and Paralympic Village, was constructed from wood donated by 63 municipalities across Japan. The plaza will be taken down after the competition, and the wood will be returned to municipalities to be reused in various local structures commemorating the games.

## What's next for Tokyo

"The Olympic effect" clearly varies by host city. Studies show prices in London increased between 2.1% and 3.3% after the announcement that it would host the 2012 Games, and some properties close to Olympic sites increased by as much as 5%.

It also varies based on the timing of when the Olympic Games fall within the current cycle of the host city's real estate market. Historically, cities with a growing market have enjoyed positive effects on prices due to hosting, while those with decreasing demand have been left with an oversupply.

The Tokyo Summer Olympics may reveal how truly unique Japan's real estate market is, given the population growth that has occurred over the past 30 years.

The Olympics are meant to be a celebration of human spirit and international good will. Will hosting the Olympics in Tokyo leave a lasting legacy that yields long-term benefits, or will it leave behind the familiar bad taste of having committed massive sums of resources for just a few weeks of games, which, in the process, results in environmental degradation of the surrounding areas? As is often the case, this will also be determined largely by the sustainability efforts of Tokyo itself and the countless individuals who come together to produce such a historic event. ▀

**Kiyoshi Inomata, CPM, CCIM**, is the CEO of Tokyo-based Asset Build Co., Ltd. In addition to his work with IREM as an instructor, Inomata has been featured prominently in Japanese media as an expert commentator as well as for his collaborative efforts with other local IREM members to inspect the many buildings damaged by the country's recent earthquakes.



*The Village Plaza will be taken down after the competition, and the wood will be returned to municipalities to be reused in various local structures commemorating the games.*



# Give and take

*Digital solutions make paying and collecting rent easier for everyone*



Image: iStock.com/MSStudioImages

**I**n the modern world, convenience is everything. From placing a grocery delivery order to seeing a doctor virtually, consumers have come to expect services to be available at the touch of a button.

Fortunately, property management hasn't been left behind during this tech evolution. One example is the rent payment and collection process, which technology has simplified for both renters and property managers.

Digital solutions now exist to replace the tedious managerial tasks of keeping track of multiple checks, cash payments, or money orders. And for the renter, switching to electronic payments removes the stress of waiting for a check to clear or the worry of forgetting to make a payment altogether.

Today's successful digital solutions are "convenient, intuitive, and easy," says Kyle Schweikert, the business analysis manager of property management software company Rent Manager. Modern rent payment services and

software offer online resident portals and mobile apps with a variety of options for how residents can pay their rent, whether that's automated clearing house (ACH) transactions, or payments by credit or debit card. Many programs give residents the flexibility of either making a one-time payment or setting up automated monthly payments. "The key is to make the rent payment process easy, and part of that is allowing payments to be made in whichever format is most convenient to the tenant," Schweikert says. "Offering a variety of payment options empowers users to make consistent, on-time rent payments."

Property managers who have offered multiple payment options agree that electronic payment is the clear preference for the majority of renters.

Kim Bender, CPM, executive vice president of property management for Fairfield Residential, which has a national portfolio of 43,000 multifamily units, has the numbers to show that online payments are preferred by Fairfield residents. "We have found that 88% of our residents who we profiled prefer to use the resident portal to pay monthly rent," Bender says. "Of the 88% using the portal, on average, 74% of our residents pay rent using ACH payments, 8% use credit cards, and 6% utilize MoneyGrams."

As the Fairfield resident app continues to advance with ease of use, it's gaining more popularity, she says.

Kelly Tang, CPM, president of IEC Property Services based in Los Altos, California, has long used technology to streamline the rent-payment process for the 2,500 multifamily units in the company's portfolio. The rent payment solution he currently uses is a mobile-friendly online portal, the same

one that residents use for service requests.

Through the portal, residents can choose their payment method—Tang says ACH payments are most common—and choose the date when they would like the payment to be made.

"Online payments are definitely preferred by tenants, whether they be ACH, online, or debit," he says. "From the resident's perspective, they want that payment to be cleared and not have to worry."



**“**  
We have found that 88% of our residents who we profiled prefer to use the resident portal to pay monthly rent.

—Kim Bender, CPM, Fairfield Residential

Tang and Bender agree that flexibility has to extend also to those residents who have no interest in adopting electronic payments.

"Our experience shows us that the demographic in our senior communities prefers to pay rent using a traditional paper check," Bender says.

Adds Tang, "There's always going to be the resident who likes to pay by check, and we totally respect that."

### A win-win

While offering ease for residents, electronic payment options are equally beneficial for property managers, streamlining the rent collection process.

"Specifically, technology promoting online payments and online leasing has allowed for improved rent collection, improved reconciliation, and a significant improvement in efficiency for our on-site associates," Bender says.

"Without these types of technology, human error becomes problematic. With the assistance of technology, human errors can be removed, and we create an improved customer service experience for the resident."

Tang says online payments remove the headaches of manual collections, such as roommates paying separately or multiple money orders. "We really push for digital payments for everyone's sanity," he says. "Most landlords see the value of waiving the ACH fee to encourage higher adoption."

Online payment options also decrease delinquencies.

"You're taking away an excuse for anyone who says, 'But I slipped the check under the door,'" Tang says. "You can say, 'I appreciate you tried to pay. Please request a stop payment, and here's a link to where you can pay your rent.'"

In an effort to increase timely payments, Schweikert added that some software, like Rent Manager's, can automatically alert residents that rent is nearly due and help with the follow-up if a payment is missed.



**“***You can say, 'I appreciate you tried to pay. Please request a stop payment, and here's a link to where you can pay your rent.'*

—Kelly Tang, CPM, IEC Property Services



**“**

*Offering a variety of payment options empowers users to make consistent, on-time rent payments.*

—Kyle Schweikert, Rent Manager

"These notifications should be customized—both in content and delivery method—based on the property's clientele," he says. "It's crucial to know whether emails, phone calls, text messages, or physical mail are the best means of contacting delinquent renters."

Whether switching from paper to digital payments or upgrading to a new system, there will be a transition period. Tang's company recently changed payment solution products, and residents are now in the process of being registered in the new system.

"There is always a reversion from online back to checks as everyone is getting signed up and registering with the new portal," he says. "There is a little bit of pain, which I totally respect, but our goal is to get back to 75% of payments being sent online."

Despite the adjustments, Tang says property managers should not be intimidated by the switch to a digital rent collection process.

"Changing payment processors is really not as complicated as it might sound," he says. "Just think of the cost savings in terms of labor, like scanning checks—all those admin hours can now be focused on something that creates real value for the property."

Schweikert says that, like many technologies, digital rent collection options have only increased in importance this past year.

"When COVID-19 hit, online payment adoption became absolutely essential," Schweikert says. "Not only does it make operations more efficient and streamline receivable collections long term, but it also safeguards staff and tenants by inherently promoting social distancing. Even as we achieve higher levels of pre-pandemic normalcy, online payments aren't going anywhere. The convenience is unmatched." ▀



# Foundational support

*One member's account of the IREM Foundation's role in her real estate journey*

By Sheena Boone, MBA

I have had many mentors along the way, but the single most impactful event in my entire career was actually being fired. As a young property manager of a mid-size multifamily community, I was good at my job and knew it. I had no idea what it meant to be humble, and I talked and behaved like I was "above" everyone and everything.

My ego led me to accept a position with a new partnership that was not properly staffed, and there I tanked. Instead of looking inward and recognizing that my ego had accepted a job that was not a good fit, I blamed leadership for a poor staffing model. No matter how many hours I worked, I could not get out of my own way, and I was eventually invited to resign.

I was devastated. I loved my company, I loved the culture, I loved the people. And now what would my colleagues think of me, the girl who claimed to be the very best?

I left the industry after this incident. I was bitter, angry, and still not seeing my part in the story. It took me two years, a lot of conversations with mentors and loved ones, and an outrageous amount of painful reflection to recognize the

*It hasn't been easy, not at all; working full time while getting an education has taken careful planning and dedication, but I wouldn't trade it for anything.*



Image: iStock.com/Morsa Images

large role that my ego played in leading to this result I was living through. I began to focus on being good at my job while remaining humble and continuing to be a leader. In the middle of earning my bachelor's degree, I changed the emphasis to leadership; I volunteered and began learning what it meant to become a true servant leader.

After three years of working outside of property management, pursuing my MBA, and a whole lot more self-reflection, it was time to get back into the industry I loved. It took some time, but Essex Property Trust hired me in 2015 to manage a 442-unit community. Along with the many units that I looked after, I was also responsible for a large staff. The significance of this wasn't lost on me for a moment:

## Fueling the Foundation

Along with the Western Washington Chapter, two other chapters have also committed at the \$10,000 level: Houston at \$10,000 and Georgia, not to be outdone, at \$10,001.

I was finally getting a chance at personal redemption, an opportunity to become the humble servant leader I knew resided somewhere deep inside. It was in deep conversation with my regional and former chapter president, Sherrie Clevenger, CPM, when I decided that pursuing my CPM was the next step in the advancement of my career.

I quickly became a member of IREM and, with Sherrie's support, applied to become a CPM candidate and set forth on the journey to achieve my goal. Still bearing the burden of paying off student loans from my master's degree, I was so grateful to learn that the IREM Foundation had an amazing scholarship that could help me reach my goals. I was determined to obtain my CPM, and the assistance of these scholarship opportunities would help me achieve it even more quickly.

It hasn't been easy, not at all; working full time while getting an education has taken careful planning and dedication, but I wouldn't trade it for anything. I am so grateful to our IREM members for continuing to fund the Foundation so that professionals like me can more readily access desired education resources. The investment of one person into another's life is impactful in so many ways that we may never even realize, let alone understand.

That impact is one of the many reasons why I am proud to be part of the Executive Council of the Western Washington Chapter. Western Washington recognizes the value that the Foundation plays in our members' lives. We have committed to making a \$10,000 annual contribution to the Foundation and challenge other chapters to match this (see Fueling the Foundation). For every member who receives a scholarship, we have helped one more professional carry the foundational principles of IREM further into the world of property management. What could be better than that?

### Endless opportunities

I was thrilled to learn about the IREM Foundation's Global Summer of Service. Not only does this opportunity strike at the core of my volunteer heart, but it allows me to create some competition to benefit the Foundation, all

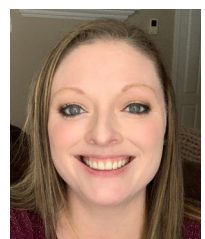
while having fun! My hope for the future is to tap into the upcoming leaders to grow our chapter, focus on our members' personal growth, and continue giving back to the Foundation, which has supported so many of us in our personal and professional journeys.

I'm now two years into my CPM journey, and like my love of property management, I have found that same affection for IREM. For the last several years, I volunteered with my chapter's education committee, wanting to provide the same opportunities to others that I had received. In 2020, I served as the vice president of education, and like many others, found myself floundering through the pandemic. Fast-forward a year, and I am honored to be the 2021 president-elect of the Western Washington Chapter, while still retaining my VP of education hat.

To make up for the struggle that was 2020, the education committee has been working incredibly hard to develop a phenomenal four-part "leadership of self" series with the beloved Jessica Fern. I am so excited for our chapter to continue offering out-of-the-box education for our members. Jessica is not only a phenomenal trainer, but she is a wonderful person. She shares her journey into self-discovery on her podcast, "Living with Einstein," which is foundational to the series that she is developing specifically for IREM called "Get on with your bad self! A journey into self-leadership."

In closing, let me sign off with two sentiments for you all, especially anyone who may feel they have just finished reading a description of their own story. First, if I could encourage anyone through actionable advice, it would be to get involved. Find a committee on a subject that you enjoy, and immerse yourself in both the topic and the gathering of like-minded people who have gravitated toward that same subject. Not only will you be doing good for IREM and your chapter, but you will be feeding your career and soul, too! Second, take time out of your day's work to reflect on your journey. So often, the areas in our lives—professional and otherwise—that feel the most painful are holding the most beautiful lessons to be learned and stories to be shared. ▀

**Sheena Boone, MBA**, is senior manager of central services for Essex Property Trust, a publicly traded REIT that invests in apartment homes on the West Coast. She is the president-elect for IREM's Western Washington Chapter and is currently working toward earning her CPM designation.





# Constantly improving

*IREM's Membership & Credentialing Committee continues work on contemporary certifications relevant to an ever-changing industry*



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**I**REM is known for providing dynamic knowledge for real estate management professionals across the globe. Our prestigious certifications have for years been an integral launch pad for many members' careers in addition to driving a higher level of professional competency, bringing added value to the properties where our members live, work, and shop.

To maintain the integrity and rigor associated with our certifications, a subjective review of the requirements and core competencies remains a dynamic process and one that the IREM Membership & Credentialing Committee has devoted considerable time to over the years.

There are a few intended outcomes in the review process as well as essential questions that need to be answered. Is the process to earn the certification objective? Are there unnecessary barriers to entry? Are there changes in the industry that should be reflected in the certification process and/or educational requirements?

Over the last several years, IREM has made modifications to certification requirements based on thorough review from the committee, which comprises members from diverse backgrounds. Some recent examples of updates to our certificate requirements include

- The 2019 decision to eliminate letters of recommendation for the Certified Property Manager (CPM), Accredited Residential Manager (ARM), and Accredited Commercial Manager (ACoM) certifications. These were removed from the process due to their subjective nature, having been determined to not be an accurate tool for measuring one's competency and knowledge on a specific subject, which

is what certifications and designations are specifically designed to support.

- In addition, IREM added a new element to the experience requirements for the ARM and ACoM to accommodate individuals with mixed portfolios. As it stood, individuals who had these types of portfolios were unable to benefit from earning these certifications.
- In 2020, IREM launched a new model for the CPM process, which changed price structure and, more importantly, created a more linear process for earning the CPM designation. This change was made in response to confusion in the marketplace around the CPM requirements, and the new price structure also serves as a balance in providing equitable access to those considering beginning the process.

Lastly, the unintended consequences of COVID-19 have impacted certification requirements, albeit with a silver lining. The Ethics for the Real Estate Manager (ETH800) course is only delivered in the classroom. The course is specifically designed to be interactive and engage students in class discussions. Prior to COVID-19, the necessity of virtual offerings was nowhere near the level it is today.

Being one of the eight certification courses required to earn the CPM designation and only being offered as an in-person course, CPM candidates were left in the unfortunate situation of having no means of accessing and completing the course during the pandemic. The Membership & Credentialing Committee recognized this as a serious barrier for those looking to earn the designation soon. A motion was passed to extend temporarily offering the Real Estate Management Ethics Online (ETH001) course as an alternative until Dec. 31, 2021. This decision has allowed our CPM candidates to focus on their coursework without being interrupted or delayed in their journey toward earning the CPM designation.

COVID-19 has presented numerous opportunities to reexamine the accessibility of our courses. The Membership & Credentialing Committee, along with our colleagues on the Ethics Committee and Education & Knowledge Products Committee, are focusing on reviewing both the ETH800 and ETH001 courses in 2021 to evaluate the content and delivery methods. The future will remain virtual, at least in some capacity, but integrity and content are of the utmost importance.

Accreditation standards should also be evaluated on a continuum, stimulating improvement of real estate

management firms' performance, increasing quality assurance, and benefitting management firms' clients and tenants.

The Accredited Management Organization (AMO) accreditation sets the standard in property management firm excellence, driven by a combination of rigorous requirements and benchmarking standards. Firms are asked to evaluate their companies based on standards and functions foundationally driven by IREM's *Best Practices: Real Estate Management* guide.

Firms that have earned the prestigious AMO accreditation are required to move through a reaccreditation process every three years. This ensures that IREM is holding firms accountable for meeting these expectations and standards as they evolve over time.

Being the main driver of a large portion of the accreditation standards, the newly revised *Best Practices: Real Estate Management* was released in 2020. The members of the Membership & Credentialing Committee will conduct a thorough review of the AMO accreditation to parallel any modifications to the standards and functions to ensure it mimics the most current version of this important benchmarking tool.

Standards and best practices are integral to our success; the other side of the coin is the value of the benefits and services of IREM membership. One of IREM's strategic goals is to stay relevant to members and customers. Relevancy is key, especially in the ever-changing real estate industry. The Membership & Credentialing Committee will continue to identify ways to better engage and deliver value to the members we serve. ▀

Prior to COVID-19, the necessity of virtual offerings was nowhere near the level it is today.



## New CPMs

### Alabama

Will Hollingsworth, CPM, Birmingham  
Kimberly Livingston, CPM,  
Guntersville

### Arizona

Chianon Mutsiwegota, CPM,  
Phoenix

### California

Olga Annuzzi, CPM, Belmont  
Lucia Brand, CPM, San Diego  
S. DeMarco Carter, CPM, Oakland  
Antony Chrysostom, CPM, San Jose  
Kirsten Coombe, CPM, San Diego  
Andrew Haley, CPM, La Jolla  
Steven Kim, CPM, Los Angeles  
Danielle Leonardo, CPM, Ripon  
Caleb Lin, CPM, Arcadia  
Ricky Platt, CPM, Pleasant Hill  
Lea Quackenbush, CPM, Encinitas  
Luis Ramirez, CPM, Fullerton  
Alexandra Whittemore, CPM, Carson  
Kayen Yeung, CPM, Alhambra

### Colorado

Nathan Baumgart, CPM, ARM, Denver

### Florida

Ormanda Doucet, CPM, ARM, Cocoa  
Jill Fussell, CPM, Orlando  
Lauren Gengler, CPM, Lakeland  
Melissa Kosciuszko, CPM, Jacksonville

### Idaho

Laura O'Dell, CPM, Post Falls  
Jeff Sudmeier, CPM, ARM, Boise

### Illinois

Erin Weber, CPM, Chicago

### Indiana

Sarah Purser, CPM, Mishawaka

### Iowa

Kate Mullinex, CPM, Des Moines

### Kentucky

Lesli Lawrence, CPM, Lexington

### Maryland

Laural Mullens, CPM, Waldorf  
Eric Vie, CPM, New Market

### Massachusetts

Kerry Dervil, CPM, ARM, Taunton  
Kimberly Parker, CPM, ARM, Boston

### Minnesota

J. Todd Adams, CPM, Minneapolis  
Emily Jacobs-Allen, CPM, Minneapolis

### Mississippi

Scott Overby, CPM, Ridgeland

### Nevada

Erick De La Tejera, CPM, Las Vegas  
Leslie Simmons, CPM, Reno

### New Jersey

Jungje Jo, CPM, Montville

### New York

Joe Largey, CPM, Rochester  
Douglas Michaelson, CPM,  
Port Washington

### North Carolina

Ila Smith, CPM, Wake Forest  
Suzanne Turner, CPM, Greensboro

### Ohio

Sarah Dorsey, CPM, Toledo  
Julie Simono, CPM, Columbus

### Oregon

Jessica Neufeld, CPM, Portland  
Shannon West, CPM, Portland

### South Carolina

Lisa Kneiszler, CPM, Summerville

### Tennessee

Thomas Baird, CPM, Nashville  
Brennan Chapman, CPM, Collierville  
Nicole Samson, CPM, Nashville

### Texas

Jillian Anderson, CPM, ACoM, Houston  
Joanna Arreguin, CPM, San Antonio  
Kim Hannigan, CPM, ACoM, Houston  
Regina Loveall, CPM, Spring  
Melissa Montez, CPM, Houston  
Justin Pirtle, CPM, Dallas  
Grant Rodell, CPM, Austin  
Ji-Yoon Seo, CPM, Plano  
Amy Smith, CPM, Austin

### Utah

James Johnson, CPM, North Salt Lake  
Derek Seal, CPM, Draper

### Virginia

Elizabeth Karl, CPM, Arlington  
Phillip Quinones, CPM, Ashburn  
George Smith, CPM, Virginia Beach

### Washington

Garret Quaiver, CPM, Seattle

### Canada

Adeayomi F. Adeyemi, CPM, Winnipeg,  
Manitoba  
Jonathan Beck, CPM, Vancouver,  
British Columbia

### Japan

Yusuke Araki, CPM, Osaka  
Misako Azama, CPM, Okinawa  
Kenji Hatamoto, CPM, Kumamoto  
Kazuhiro Hirose, CPM, Kanagawa  
Kazuyuki Houzouji, CPM, Kumamoto  
Yasuhiro Iida, CPM, Saitama  
Shinichi Ikuta, CPM, Fukuoka  
Toshiki Kanai, CPM, Tokyo  
Iori Kawabata, CPM, Kumamoto  
Shuta Kitajima, CPM, Tokyo  
Takuma Kitanishi, CPM, Ageo  
Hiroko Kochi, CPM, Tokyo  
Hironobu Masui, CPM, Okinawa  
Shigeru Miyata, CPM, Kumamoto  
Daigo Mori, CPM, Saitama  
Hiroshi Motomura, CPM, Kumamoto  
Yoshihiro Nagashima, CPM, Fukuoka  
Takahiro Nakamitsu, CPM, Kumamoto  
Eiki Nishikawa, CPM, Tokyo  
Kazuyuki Nomura, CPM, Kanagawa

Fumie Oda, CPM, Aichi  
 Keiji Okuyama, CPM, Sendai  
 Shigero Shimoda, CPM, Sakao  
 Koichiro Takahashi, CPM, Tokyo  
 Takanobu Takahashi, CPM,  
 Hamamatsu  
 Masato Takayama, CPM, Kumamoto  
 Takatoshi Takei, CPM, Fukuoka  
 Masahiko Tsuruta, CPM, Fukuoka  
 Daisuke Umehara, CPM, Kanagawa  
 Soya Ushioda, CPM, Tokyo  
 Yohei Watanabe, CPM, Miyagi  
 Atsuhiko Yamaguchi, CPM, Kurume

## Korea

Soon Ho Jung, CPM, Seoul  
 Dong Hoon Kim, CPM, Seoul  
 Hyeonsu Kim, CPM, Seoul  
 Kyungmi Kim, CPM, Busan  
 Yeonil Kim, CPM, Seoul  
 Young Sung Kim, CPM, Seoul  
 Mi Jung Lee, CPM, Seoul  
 Sang Hyeok Lee, CPM, Seoul  
 Yeong Tae Lee, CPM, Seoul  
 Yun Jae Lee, CPM, Seoul  
 Geumwon Mo, CPM, Seoul  
 Jae Hyung Park, CPM, Seoul  
 Young-Deok Won, CPM, Seoul  
 Seung Won Woo, CPM, Seoul

## Russian Federation

Dexter Anton, CPM, Saint Petersburg  
 Valentin Chubarov, CPM, Moscow  
 Tatiana Khabarova, CPM, Moscow  
 Dmitry Shapovalov, CPM, Moscow  
 Olga Volodina, CPM, Moscow

## New ARMs

### Alabama

James Buttke, ARM, Oxford

### Arizona

Chad Matthews, ARM, Tucson

### California

Christopher Carnazzo, CPM,  
 ARM, Oakland  
 Natasha Tucker, ARM, San Diego

## Florida

Seqoiya Abrams, ARM, Jacksonville  
 Sabrina Belizaire, ARM, Jacksonville  
 Michelle Coleman, ARM, Jacksonville  
 Rosangel Escoto, ARM, Orlando  
 Brendale Fields, ARM, Jacksonville  
 Eveada Finklea, ARM, Jacksonville  
 Ashley Guider, ARM, Jacksonville  
 Iesha Pinkney, ARM, Jacksonville

## Georgia

Madison Greer, ARM, Columbus  
 Carmen Rivera, ARM, Columbus  
 Christina Welch, ARM, Columbus

## Hawaii

Mark Aronson, ARM, Honolulu  
 Desmond Oliveira, ARM, Honolulu  
 Vanessa Williamson, ARM, Honolulu

## Illinois

Irina Leykin, ARM, Northbrook  
 Sonya Shannon, ARM, Chicago

## Indiana

Kinda Parker, ARM, Hammond

## Louisiana

Mallory Bailey, ARM, Baton Rouge  
 Erin Loupe, ARM, Baton Rouge

## Maryland

Shara Green, ARM, Hyattsville

## Massachusetts

Marta Bonilla, ARM, Braintree  
 Maria Fernandez, ARM, Wellesley  
 Caroline Harvey, ARM, Weymouth  
 Shane Hayes, ARM, Boston

## Michigan

Tara Brown, ARM, Detroit  
 Niquia Clark, ARM, Detroit

## Nebraska

Emily Hotka, ARM, Omaha

## New Jersey

Rosemary Gault, ARM, Mount Ephraim

## New York

Jay Gelb, ARM, Brooklyn  
 Marcia Prignon, ARM, Fulton



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## North Carolina

Crystal Brown, ARM, Hubert

## Rhode Island

Lara Layfield, ARM, Coventry

## Tennessee

Crystal Brown, ARM, Memphis

## Texas

Luis Diaz, ARM, Katy  
Cari Gill, ARM, Round Rock  
Victoria Williams, ARM, Austin

## Virginia

Victoria Bailey, ARM, Newport News  
Bobby Corbett, ARM, Portsmouth

## Washington

Brittany Bellamy, ARM, Bellingham  
Ethan Gibson, ARM, Seattle  
Allison Schumer, ARM, Snohomish  
Michelle Zaidi, ARM, Kenmore

## Wisconsin

Brianna Espinoza, ARM, Middleton

## Brazil

Francisco Lowndes Castel-Branco,  
ARM, Rio De Janeiro

## Canada

Jennifer Benedek, ARM, Toronto,  
Ontario  
Stephanie Grassi, ARM, Calgary,  
Alberta  
Ashikun Hoque, ARM, Calgary, Alberta  
Eromosele Okebhagbe, ARM, Calgary,  
Alberta  
Annie Retuya, ARM, Calgary, Alberta  
Nidhi Shah, ARM, Oakville, Ontario

## Cayman Islands

Alexandra McRae, ARM

## New ACoMs

### Alabama

Caroline Welden, ACoM, Birmingham

### California

Lacey DeHart, ACoM, Fresno

### Florida

Daniel Mitchell, ARM, ACoM,  
Jacksonville  
Kristy Schneider, ACoM, Jacksonville

### Georgia

Fontella Arnold, ACoM, Conley  
Charlsie Charles, ACoM, Atlanta  
Bethany Hill, ACoM, Atlanta

## Hawaii

Caleb Kim, ACoM, Honolulu

## Indiana

Mason McDonald, ACoM, Fishers

## Maryland

Koforola Aroyewun, ACoM, Laurel  
Eyo Ephraim, ACoM, Upper Marlboro  
Janay Pinnix, ACoM, Silver Spring

## North Carolina

Mary Batten, ACoM, Holly Springs  
Jeff Brasel, ACoM, Greensboro

## Pennsylvania

Elijah Miller, ACoM, Scranton

## Texas

Ella Hanoch, ACoM, Austin  
Nancy Valdez, ACoM, Fort Worth  
Jenni Woodruff, ACoM, Houston

## Virginia

Jennifer Glomb, ACoM, Virginia Beach

## Canada

Sarah Topping, CPM, ACoM, Kingston,  
Ontario

## South Africa

Sean Liebman, ACoM, Johannesburg

## New AMOs

### California

Buchanan Property Management Co.,  
Inc., AMO, San Diego

### Florida

Jacksonville Housing Authority, AMO,  
Jacksonville

### New York

Rochester Management, Inc., AMO,  
Rochester

### Pennsylvania

Magnolia Lane Properties, LLC, AMO,  
Quarryville



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“

Whether it's potluck dinners, holiday parties, or a simple hello, they treat these properties as more than just apartment communities; they embrace them as homes.

P23

Budgeting requires both a view from 10,000 feet, or big picture, and one from ground level, in the weeds. P15

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Image: iStock.com/PeopleImages

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It takes time, money, patience, and a group of visionaries. P11



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You're taking away an excuse for anyone who says, 'But I slipped the check under the door.' P31

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I was finally getting a chance at personal redemption, an opportunity to become the humble servant leader that I knew resided somewhere deep inside. P33